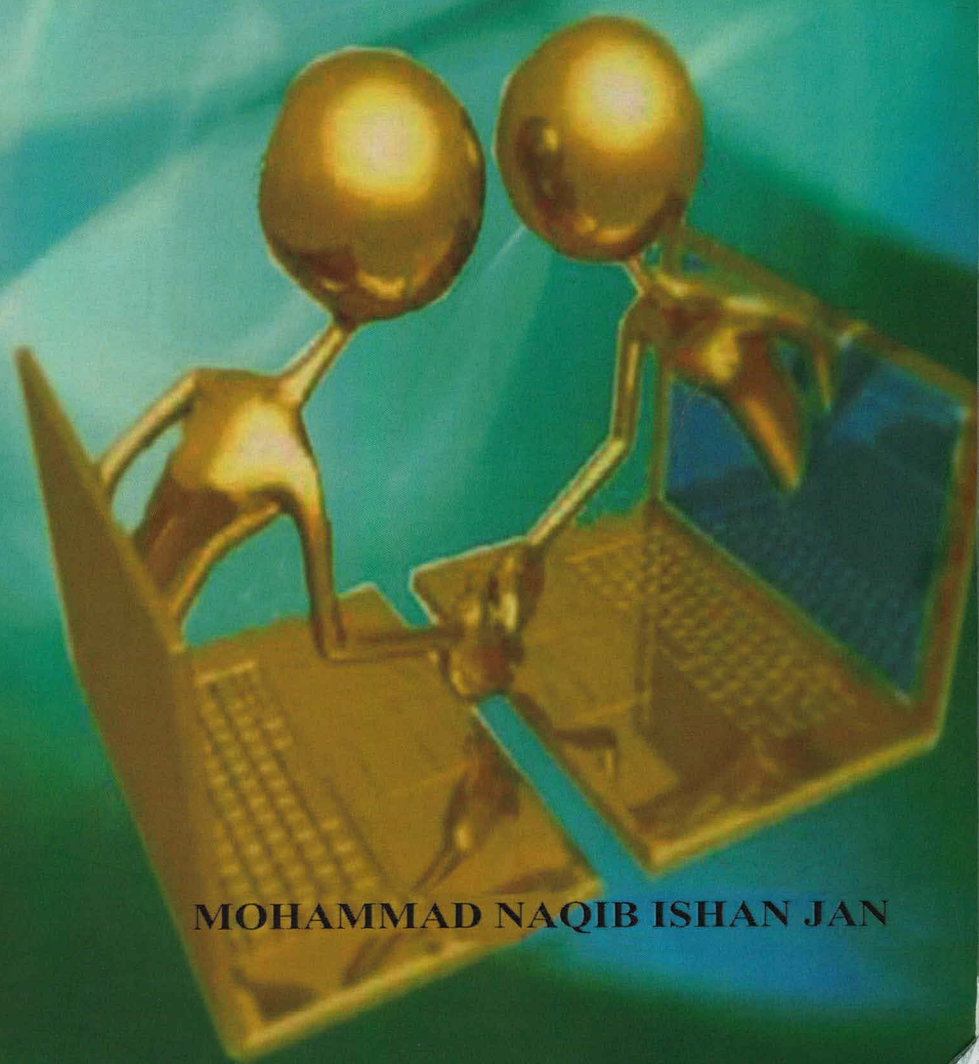


LAW AND COMMERCE : THE MALAYSIAN PERSPECTIVE



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LAW AND COMMERCE: THE MALAYSIAN PERSPECTIVE

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IIUM Press

Published by:
IIUM Press
International Islamic University Malaysia

First Edition, 2011
©IIUM Press, IIUM

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Perpustakaan Negara Malaysia

Cataloguing-in-Publication Data

Mohammad Naqib Ishan Jan

Law and Commerce: The Malaysian Perspective

Include index

ISBN 978-967-0225-43-2

ISBN: 978-967-0225-43-2

Member of Majlis Penerbitan Ilmiah Malaysia – MAPIM
(Malaysian Scholarly Publishing Council)

Printed by :
IIUM PRINTING SDN. BHD.
No. 1, Jalan Industri Batu Caves 1/3
Taman Perindustrian Batu Caves
Batu Caves Centre Point
68100 Batu Caves
Selangor Darul Ehsan

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CHAPTER 6

DISTINCTION BETWEEN VOID AND VOIDABLE CONTRACTS

by
NOR ASIAH MOHAMAD

In the previous chapters, it has been shown that a contract consists of certain elements in order to constitute a good, valid and enforceable contract. In this chapter the discussion whether a contract is valid or void is pertinent in determining the position of any agreements and decides on the rights and obligations of the parties in contract. Any contract which is found to be *void ab initio* will deny all rights and interests of the parties.

VOIDABLE CONTRACT

Meaning of voidable contract

A voidable contract is an agreement entered into by two or more parties that can be declared invalid by one of the parties for a legal reason. It also refers to an agreement enforceable by law at the option of one or more of the parties thereto, but not at the option of the other or others.¹ Usually, only one of the parties has the right to cancel the contract. Until that party voids the